

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1971 - HB 1888

February 20, 2014

SUMMARY OF BILL: Makes changes to the *Tennessee Insurance Producer Licensing Act of 2002*. Requires 20 hours of pre-licensing coursework in life, accident and health, property, casualty, personal lines, or title insurance as a requirement for licensure.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The only area of insurance which this will affect is title insurance agents, who are currently required to have a minimum of 5 hours of pre-licensing coursework.
- According to the Department of Commerce and Insurance, approximately 40 title agents take pre-licensing courses each year.
- Such courses are not run by the state, but by private, for-profit testing centers.
- This will have no significant impact on state government.

IMPACT TO COMMERCE:

Increase Business Revenue – Exceeds \$1,000

Increase Business Expenditures - Exceeds \$1,000

Assumptions:

- Requiring additional hours of pre-licensing coursework will result in an increase in costs to applicants who wish to earn a pre-licensing certificate for title insurance.
- This will likely result in an increase in course fees and instructional material; however, the amount of such increase cannot be determined but is reasonably estimated to result in an increase in business expenditures exceeding \$1,000.
- There will be a corresponding increase in business revenue for the testing centers.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb